

Admiral Bill Moran, VCNO
Surface Navy Symposium
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Adm. Moran: Since the theme of the symposium is Distributed Lethality, it's only appropriate to let you know that when I met Barry out in Hawaii he played golf. He was the epitome of distributed lethality. [Laughter]. Balls were going everywhere. If it went out in the grass he could never find it so -- [Inaudible].

Thanks for the invitation to come out today. It's very kind of you to invite an aviator to this. I'll do my best. Some of this stuff, though, is a bit scary.

You know, you guys truly are the Navy brand. When you think about the Navy, about the Navy community, about the Navy [inaudible] about ships. It's certainly not the Blue Angels. When I talk to crowds about the Blue Angels they go that's Air Force. We fly airplanes off carriers. They go, I didn't know the Air Force flew off carriers. I'm not the [inaudible]. So it's just [inaudible] on my part [inaudible]. [Laughter].

I'd like to start with a little exercise here. Will all the veterans in the audience raise your hand? How about anybody who served in the Cold War? Please stand up. [Applause]. If you didn't serve in Vietnam, sit down. And if you weren't in the Navy during Korea, please sit down. [Applause].

So when Tom Rowden invited me to speak today he said you've got 15 minutes. I said how the hell am I going to say everything I know about surface warfare in 15 minutes? He said I'd speak real slowly, if I were you. [Laughter].

It really is a great time for a symposium here, especially in this period when we are 10 days away from the constitutional responsibility to change leadership at the highest levels. Of course no matter how you do it, it sets mostly high expectations, and with that comes high anxiety for a lot of folks.

It's also for us a time of opportunity, I think, and a time for caution. There is no more vulnerable period of time in our nation's history when you think about it, as during an administration transition. Especially the last 20 or 30 years, we've seen that over and over again. So we've kept a Navy that

must be sharp on watch all around the globe. I'm watching [inaudible] waters and everybody in this [inaudible] can relate. We talk about the East Med, the Red Sea, the Gulf, South China Sea. There's a lot going on out there and our surface warriors are making us proud every single day.

In the news this week, just the day before yesterday, we had more probing and testing by forces in the Arabian Sea, and I've got to tell you once again, our CO, the crews, are making great smart judgments [and decisions]. And we're not seeing escalation. We're not getting ourselves [inaudible]. I've got to hand that to the leadership and the training that's going on out there. But we're really proud of what we're seeing.

In this hall and in training institutions, I heard [John] give a great pitch this morning and [inaudible] after that. [Inaudible]. And Fleet concentration areas, I want to talk about that a little bit. There's a tangible sense of enthusiasm and optimism [inaudible]. So especially on this front, talking about enthusiasm and optimism, it's exciting time to be here and talking about the Navy we have and the Navy we hope to have in the future.

There's also reason to believe that there's some hopefulness out there when it comes to sequestration going away, budget-based agreements going away, maybe we won't have a 10th consecutive Continuing Resolution to deal with, and maybe it will give us some stability in budgeting in the future, which allows, of course, for greater fiscal stability which a lot of folks in industry are very interested in, and so are we. We need that better balance for the risks we see [inaudible].

So now I want you to walk away from here with three basic things -- pretty easy to understand.

Size matters. That's one.

Two, size really doesn't matter unless it's whole.

And people matter most of all.

So those are the three things I want you to get out of this.

The case, though, has been laid out here today that our ability to control the sea is being challenged. I think Tom made that pretty apparent this morning in his pitch.

That our ability to protect the homeland, strategic interests, and national values around the world are no longer without major competition. From non-state actors operating with high-end weapons -- think Mason and Nitze in the Bab El-Mendab recently -- to growing regional threats and higher-end adversaries in the world in which we operate has changed extensively since 2012. And our ability to operate anywhere in the world unconstrained no longer exists. And our need for a distributed force grows year after year as longer range and asymmetric capabilities emerge all across the world stage.

What Tom Rowden and Admiral Davidson are designing is a more distributed force, a force that recognizes that the likelihood that we will fight across the globe in the future is more likely than one where we're fenced into someone's back yard on the other side of the world. And the speed of threats and in some cases unpredictable threat actions mean we must be there to make a difference early enough to keep the fight from coming to our shores.

In addition to modern capabilities and well trained and ready forces, this type of fleet design makes the most of our fleet's true capacity. I want to dive in on that here in a minute. The intended output of that design is [to] control deterrence and the ability to respond quickly to crises from mobile, sovereign U.S. territory anywhere in the world. That's not new, but what it relates to is the energy we're putting behind having a smaller force being able to accomplish the same missions.

So 274 ships. We undoubtedly do not have enough Navy to meet the demand.

If you think about New York City fire houses, there are 250 today. If they were to have to operate with 200, could they respond in time to emerging threats? How many lives would be lost with 200 fire houses instead of 250? Capacity, location, presence. Size matters.

We have a very similar situation in the Navy. Like firefighters in New York City, the size of the force to deter conflict and provide credible options to the National Command Authority worldwide certainly does matter.

If we just look at the Pacific and you work your way west from the California coast, and you overlay three U.S. territories across, you still don't get to Asia. It's a big ocean requiring a lot of ships. And we also have to do that while we're looking

across the rest of the world, where we truly believe that potential adversaries are going to operate in other parts of the globe, or we're focused on another [one], we're going to need to be more present than we ever were.

So all of that recognition, that size matters and the size of the fleet, the growing threats that [inaudible] we continue to read about, in 2012 and 2014, we assessed what it would take to keep the other guy from exploiting the sea for their own advantage, and that told us we needed 300 more ships to meet that need.

Since then, though, the world has changed. In 2016, this past year, based on the complex and changing security environment, we took another look. We started over a year ago. Fortunately, we have military people in and out of uniform who do this sort of planning routinely. So we went out and asked all of the battalion commanders what do they need from their maritime forces and they all added it all up to 700-plus ships. We all know that's fiscally unrealistic. So we had to take another look. We had to look at risk. Where we would accept risk and where we might have duplication. And in the end, our analysis showed we needed 350 ships.

Now there are a lot of folks out there who when they heard that number, because it was released fairly recently, when they heard that number they go oh, that's convenient since the new administration [inaudible] 350.

So no matter where you think that number came from, I can assure you that our analysis has been going on for a year and we came up with this and stand by that. Much of it is classified and I won't talk about that aspect of it here. But that number is real. The number 350's been around for a while in various different analyses. But right now when we really looked at the global threat and the reemergence of older adversaries, the number of 350 -- just the ship count. There are other components, capabilities in addition to the ship count that came into the analysis.

In addition to this force structure assessment, we are wrapping up three independent future fleet architecture studies. Some of you have read about it or heard it, but all three of those, independent, without any collaboration or guidance from OpNav staff came up with roughly the same number. So we feel pretty comfortable with the number we're looking at. Somewhere in the mid-300's.

There is no doubt that the ship count is an important metric, but I would caution, we can't get too overly excited about the potential for that much money coming our way any time soon. My priority, our priority in the near term when that money does come, if it does come, because we've got to be [inaudible]. When we make decisions that either directly or indirectly underfund our readiness accounts, we do not get the full value from our Navy. Admiral Phil Davidson out of Fleet Forces makes that abundantly clear at every opportunity. If it's abundantly clear from Phil, it's abundantly clear. He is passionate. So is [inaudible]. And so is the Air Force, by the way. This affects aviation as well as surface [ships].

During the past several years under the strain of insufficient funding and budget uncertainty we have not been able to fully fund what we really need. We're lucky in any given year to have had 90 percent funding [inaudible]. And 90 percent of 274 is about 246. If you do the math, if it takes three to get you to one deployment, that number gets you to 82. We averaged probably less than 90 ships in the last 15 years. So we're going to need more [inaudible]. It gets you even less close when you can't [inaudible] readiness [inaudible].

So that number that I used of 90-plus is actually [inaudible] by the COCOMs at a level of 40 percent. So we're only meeting 40 percent of the COCOM's demand with 90-plus ships.

So after a number of years at funding readiness at 90 percent -- 90 percent of 90 percent of 90 percent -- you can see what happens. It doesn't end up in a good place, especially when OpTempo has not changed. [Inaudible] operating out in the Fleet the last ten years [inaudible], we have not slowed down. We had the infamous number [inaudible] 9/11 of 316 ships. We're still operating at the same tempo. We have 274 today. I wonder [inaudible]. You can figure that out pretty quick. We've got 90,000 [inaudible]. All that adds up to higher stress, [lower] maintenance, and higher cost.

And we are our own worst enemy. We're all so proud of the folks that are getting things done. The "can-do" spirit of the Navy is everywhere. But we also never cry "uncle" which sometimes [inaudible]. We've [inaudible]. It's up to leadership -- the CNO, myself, and everybody in the front row here to be willing to say we've got to turn back some of [inaudible] and pay attention to our Navy. And that's where we're focused.

Now the SWO boss is -- he's sitting in the front row. I gave him a hug here today. When you look at where we were a year ago. Makin Island. What we had 60 CASREPs? They deployed here recently, I just was on board, with less than 10. We're getting our act together. It's working.

When you go around the Fleet you can see signs of [inaudible]. [Inaudible]. The point here is this is a long war we've been in. We've got emerging or re-emerging threats that have all raised the stakes and making this long game even longer. I'd like to be able to stay healthy, [inaudible]. 274, then 308, then 350, it's not going to be the same number [inaudible].

Deferred maintenance is insidious. It takes a toll on the long-term readiness of the Fleet. Albany, LA Class submarine [inaudible]. 28-month availability grew to 48 months. During that 48 months, the CO retired, the XO and the Engineer failed to promote, and many of the sailors on active duty never deployed. We can't buy that back.

It's tough on our surface warrior community as well. You know better than me, if you miss an availability, or your time in the yard is cut short, you get back into rotation, the problems continue to compound. So by the time your next availability comes around, it takes even longer and costs even more.

A couple of examples. Carter Hall, LSD, out of Norfolk had her availability nearly doubled from 364 days to 673, and a cost increase from \$70 million to \$125 million. Now part of it was the bow wave of pre-existing maintenance backlog that we didn't get to earlier. So it went to \$30 million.

Russell, out of San Diego. Had a 92 day avail scheduling. We're at 459 and counting. Anybody know [inaudible]? \$89 million and counting. Like Carter Hall, the Russell also had a large maintenance backlog totally \$22 million. It's not going to get any better unless we increase [inaudible]. [Inaudible] maintenance and modernization [inaudible]. Both of those ships, Carter Hall and Russell, lost a full year of operational capability.

So it's really hard to see the light at the end of this tunnel. Fewer steaming hours for training to pay for deployed hours, deferring maintenance, and spending more time in the yards than necessary -- all takes time away from our young sailors to learn a new system, increase their proficiency at sea, and to get

qualified. As I said, you can't buy that back. At some point we just simply have to dig in and dig out of this problem.

Now all of that sounds like a lot of doom and gloom, and I understand that. But the real point is that when the transition team came around [inaudible] asked us what we would do with more money right now, the answer was not to buy more ships. The answer to make sure that the 274 that we have were maintained and modernized to provide 274 ships worth of combat power. Then we'll start buying more ships. They heard that loud and clear, I hope.

Now assuming we get that readiness stable and predictable -- and we must -- the future threats we'll face demand that every ship out there will continue to see in terms of growth, and will really make it difficult in terms of [inaudible] the deterrence at sea that we talk about. Distributed lethality [inaudible] of the future force.

So between Tom Rowden's remarks and Ron Boxall's brief this morning, what is exciting about the concept of distributed lethality is that today's technology allows us to employ our surface ships like never before in asymmetric ways.

While they've always operated helicopters or delivered boats, the ability to deploy and operate unmanned systems in the air, on the surface, and underwater has the potential to change the way we fight in the future. The potential [inaudible] we envisioned. And in Admiral Davidson's concept, [inaudible] operations.

Our incredible laboratories around the country, including [inaudible], [inaudible] innovation. We complain about the lack of [ability], we see ways to mitigate [cost]. We have to connect the fleet. I'm talking [inaudible] officers, mid-level and enlisted [inaudible]. We've got to make a concerted effort. This is [inaudible] want to take us to the next level. But they're experimenting, for example the [inaudible] Newport, on the latest UUV concepts, many of which are intended to be launched and recovered from surface ships. The Navy will need our surface warriors to operate not just in two dimensions, but three dimensions [inaudible].

Now, all of this and more has to be balanced. Finding the right fit for the right platforms at the right price, a price we can afford. This is a tough business. But we also can't forget about the sensors and communications systems and the cyber-

protected and jam-resistant networks that we've got to have in order to be able to operate [inaudible].

But we are thankfully moving rapidly in the right direction. Organizing on OpNav as in the Fleet, around these concepts. Pulling ourselves out of the traditional stovepiped programming and analysis that we've done in the past, trying to stay focused on informing our tactical decisions with strategic decisions. The kind of strategic thinking you just heard from Frank Pandolfe.

As we prioritize readiness and change how we apply fire power, net lethality, and how we fight, the most important component of just how effective we will be tomorrow and into the future is of course our people that [John Wade] spoke passionately about this morning. And I know that Tom Rowden speaks passionately about this as well.

When I say people, I mean our sailors, our Navy civilians, our engineers, our yard workers, academia, and industry who's in here today. Together we all form clearly our greatest asymmetric advantage -- the talents of our people.

If I were a bit younger, had bad hair, worse eyes and no longer had the urge to slip the surly bonds of earth. I would be a surface warrior. [Laughter]. [Inaudible].

I'm dead serious about this. I see it everywhere I've been, and I've been around for a while, the last three and a half years. Every time I would call before a trip, call [inaudible] and say where do you not want me to go? Get me to a bad ship. I want to see one that's not working. They failed [inaudible]. [Inaudible].

I was on Makin Island a year and a half ago for another reason, it was an incredible experience. I got to see Halsey in the Pacific. Preble and Pearl, Essex and Normandy in the Gulf; Reagan in Yokosuka. All [inaudible]. The team work [inaudible].

The energy that I saw, especially in the wardrooms, among the junior officers, affirmed the trends I've been seeing for the past few years.

Our Sailors are looking for meaningful adventure and purpose, they are looking for variety, they want to be smart, creative, and innovative. And for our surface force, we're providing

exactly that. We've still got a long way to go, but we're going in the right direction.

The renewed focus on tactics like you heard from John [Wade] this morning, with the Weapons and Tactics instructors, it's a great direction for the community.

As a proud aviator, my first instinct is to look at SWO WTI program and say, "What the heck took you so long? It worked for us." But all kidding aside, Naval Aviation was compelled after Korea and Vietnam [inaudible] to stand up Top Gun and WTI. We embraced this effort. [Inaudible]. I guarantee you. As those junior officers encounter [inaudible] become XO's, become CO's, become Commodores, for the next 10-15 years [inaudible].

So America expects us to fight and win. But aviation learned we could not take our technology and our size for granted. We [inaudible], we have better technology, we had to get smarter and we had to get better tactically. It's motivating to be the best at your job and to teach others, and that helps us keep our best and brightest in this [inaudible]. And when we have the best and brightest empowered to teach and innovate, our warfighting gets that much better.

My most satisfying tours, and I think all of us have had the opportunity to instruct. Those [inaudible]. Some of you built expertise and effectiveness goes up over time, but if you can leave a little bit of legacy. And as many of you in this room know today, we live off that legacy for a very very long time. Our young students, whoever they work for, move on and move up in this organization and become leaders in their own right. There's nothing better [inaudible].

I recently had a surface warfare CO tell me very grudgingly, that he actually had JO's whose tactical acumen in some areas approached his own. Imagine that! Frankly, that's the way it should be.

Our senior officers may have more experience, but the benefit of junior officers refreshing the knowledge base with the latest and greatest tactics, and then spreading that knowledge is actually indispensable.

We all know people want to be part of a winning team, part of a learning organization, one that listens to sailors with ideas about how to make the team better. The results of this empowerment lead to success. In just three years the SWO of the

[inaudible] screening board went from he was briefed, he got selected, to [inaudible]. Which means [inaudible]. It's a win for us.

All of this, of course, didn't happen overnight. It was enabled by the foundation not happen overnight...It was enabled by the foundation that all of you [inaudible]. All of you [inaudible]. Your legacy is what has taken us to the next level. Now that culture is starting to change. It's real, it's effective, and all of us must embrace it, encourage it, and live it, no matter what our background is.

So let me close where we started. This is a really exciting time. The sense of opportunity is in the air, but we cannot make the mistake of focusing solely on a bigger Navy. The money may or may not be there. I don't know. You ask me that question. I don't know. None of us do. But part of my job is to keep a weather eye on afloat and ashore readiness, ensuring those all-important enabling accounts are sufficient to operate this Fleet.

If we are fortunate enough to grow in size, improve our readiness, and advance our tactical expertise, it is our people who will take us there. There are many young sailors all over the fleet innovating to find capabilities to extend the reach of our Navy and give us a greater punch at the end of the day. Those same young men and women are embracing and mastering the challenge. Challenging tactical primacy formerly reserved for more senior officers; showing that our people are still the most important element of an effective, powerful, strong Navy.

So during the rest of this symposium and going forward from here, we need to remember size matters, but size doesn't matter if it's not whole. And people matter more than anything.

I'm ready for your questions. Thank you very much.

Question: [Inaudible].

I wanted to follow up on your comments about deferred maintenance and issues there. I know some of that is due to the backlash on budget issues and things that are beyond control, but I guess I have a two-part question.

First of all, are there things that you're looking at doing differently from the Navy's point of view to avoid those problems in the future?

And second, there's been some reporting about the current temporary [inaudible] issue. And I was wondering if you could expound on what risk [inaudible] when something like that happens.

Adm. Moran: You kind of answered your own question to an extent. Right? All the problems you just brought up are connected. The gaps that we've seen, we've accepted and taken operational risk [inaudible] are related to the fact that we all recognize that [inaudible] deployments, [inaudible] deployments, [throw] people out faster than [inaudible]. We'll never dig out of that maintenance backlog. So we have purposely taken a risk from time to time to make sure that we don't get deployments extended beyond seven months. We get those ships back and get them in maintenance and [inaudible]. And modernization. If we don't stick to that plan that we have talked about earlier, [inaudible] spiral down. And the bow waves continue. And then the yards were not manned and equipped and modernized as well to be able to deal with it.

So yesterday Admiral [Bates] and I and Admiral [Swift's] team out at PACFLEET, we monthly get together for a Maintenance Executive Council, we talk about funding, talk about schedules, talk about investments in the yards, people. All those things are being measured against the money we have available to be able to invest in all of those events. [Inaudible]. Try to capture the growth that we've seen over the last couple of years.

Admiral Rowden can probably talk about this in his sleep, about all those things. Sort of big picture, if we don't reduce the OpTempo sufficient enough to make sure those ships can get back in for the maintenance, [inaudible].

Question: Sidney Freeburg, Breaking Defense.

I wanted to [inaudible] threat as well. [Inaudible] transition team, you [inaudible] was right now we can use not more ships, but we have [inaudible].

Adm. Moran: No, Sidney, I didn't say that. What did I say? Size matters.

Question: Size matters, but still the first [inaudible] in the end.

Adm. Moran: So it doesn't mean we don't need more ships. It's all connected. Sorry to interrupt you, but [inaudible].
[Laughter].

Too small a Navy means it drives the OpTempo higher, and a smaller Navy. Remember I said at 9/11 we had 316 ships; today we have 274, and we're deploying the same number of ships over the same amount of time. That math does not add up. Right? So we need a bigger Navy so that we can continue to meet demand. We're not driving the current force, the smaller force, into the ground because we don't have enough ships to [inaudible] that presence [inaudible].

So yes, the first thing you need to do is reinforce the foundation which is op readiness. The maintenance of the ships. Then we can, in conjunction with that, so it's [inaudible] just to contract out. If we get money in '17 the only way we're going to be able to execute that money is to throw it at things that we can throw money at right now and that's readiness. We can put ships [inaudible], we can put more modernization in. It's ready, it's available. We don't have the money [inaudible]. The point is we're going to put money into readiness and modernization [inaudible]. [Inaudible] opportunity to buy more ships [inaudible] replaced simultaneously. But the first part has got to be reinforcing the foundation.

Sorry I jumped in. I'll give you a follow-up.

Question: [Inaudible] in the short term, also finding dollars on the end time for the long term. Ultimately you're [inaudible].

Adm. Moran: We know precisely how much money we need in the readiness accounts to be able to execute the full magnitude of what our yards can handle through ship maintenance and modernization in '17. So that number's pretty well understood.

Any money that comes on top of that, we can start looking at how we would contract out the ships, [inaudible] in yards, the contractors are ready to start building this year or next. There are certain types of ships that we can start doing that. Combining the [inaudible], starting the process, you get them on contract. We're going to do that in parallel with the readiness, but it is [inaudible].

Question: [Inaudible] Edwards, [Inaudible].

More than 20 years ago we trained our sailors in depth on the equipment. Then we sort of backed away from that, [inaudible] those sailors were able to maintain the systems essentially indefinitely. Since the 20 years, we've stopped training the sailors as well as we used to. The sailors are still bright, probably brighter than they ever have been with the education they're able to get now. Now we're not able to maintain the systems, but we show up on ships as contractors, we see sailors with equipment [inaudible]. [Inaudible] problems in availability because the ships aren't [inaudible]. Not only that, as the industrial base we don't [inaudible] on the services to recruit the sailors after they retire or after they've left the service, to give them back to you and keep that investment you made in the training [inaudible]. We can't recruit people now who know how to fix the gear. They're not being taught in the military.

Do you see any way to kind of flip the switch back to getting them trained to sustain your equipment, and cutting your risk and availabilities and helping the industrial base have the people we need [inaudible]?

Adm. Moran: Good question. This will be a full credit [inaudible]. Clearly as part of the United States Navy five years ago, six years ago, was a recognition that our training has fallen short, and we've put a lot of investment in that. School houses and length of training. Many of our rates [inaudible] maintain those high [inaudible]. But when you get a fire control man trained to fight [inaudible] two years, you've really got to question the effectiveness of that training, and whether there's a lot of dead time. So we're spending a lot of time looking at where folks are just sitting around waiting for training to start, because that's ineffective training by itself.

There's a lot of work going on right now in the training department. I'm very encouraged [inaudible] surf war, surf land, the schools and the warfighting development centers have focused on. But one of the things that Admiral Rowden did when he was Resource [inaudible] and other Resource [inaudible]'s have followed suit, is to try to invest in opportunities where sailors when they leave their first tour have an opportunity to go somewhere and continue to build on those skills. So our centers are a place where we took a lot of risk [inaudible]. And anybody that comes to the force makes decisions [inaudible]. I never impugn those decisions. But the recognition that we had

sailors in highly skilled rates that weren't able to come off [inaudible] shore duty and continue to work in a school setting, drives down the overall experience level [inaudible].

So we bought back a bunch of those opportunities. And Admiral Rowden knows this very well. [Inaudible] where we want them and how we're seeing them repopulate [inaudible]. We have to continue [inaudible]. Especially if we're able to [inaudible] the Navy of the future, we're going to have to buy back into that so that those places continue [inaudible]. It's hard to see at levels [inaudible].

Then we also have to modernize equipment. We're in a little bit of tension right now about how to do that best. My strong belief is that [inaudible] training [inaudible]. On a flight line. You're going to be inefficient and ineffective [inaudible]. Trying to cycle people in and out of schools at great distances, [inaudible] ships, crews, [inaudible]. So we're trying to capture all of that [inaudible]. We're already looking to [inaudible]. A very important question. Thank you.

Question: [Inaudible] Thompson, [Inaudible].

Last year it was estimated that our Navy had a pretty [inaudible] sea. We've had over the course of the last year pretty extensive investigations done, [inaudible]. Can you explain what kind of training has occurred to ensure that our warriors are trained properly, have the proper warrior ethos [inaudible].

Adm. Moran: From the macro standpoint we learned a lot of lessons from two very significant investigations that were done post that incident. Admiral Davidson, the ACC Force Commander, Admiral Rowden and others have taken a very deep look at how we have prepared people to go on deployment, and then once we get them in theater and make sure we sustain that training over the long haul. Those were all hard lessons that we have built back in. I get a report about once a quarter of a series of several dozen steps that were identified in those investigations to be resolved and we're down to a handful now. So I'm pretty comfortable we've had [inaudible].

But this is about leadership and it's about making sure that we're given adequate resources so that they can train and be ready to go on deployment. And once they get on deployment, to make sure we sustain them.

Question: I'm [inaudible] so we were all told to make sure we ask questions to keep you here as long as we can. I'm [inaudible] retired vice admiral. That's really not true, by the way. But if nobody else will ask questions, we will.

I asked Admiral Rowden this question earlier, and he had a very complimentary answer to it. Clearly, the distributed lethality is not just a surface warfare program. It includes [inaudible], 87, 88, NAVSEA, the whole basic support structure. All the codes and [inaudible] of the Navy. And I asked him earlier, and the point he was getting, he was very complimentary and he even said he was kind of a Tail Hook [inaudible]. When [inaudible] I would have given half of my body parts, vital body parts, to go and be able to not just [inaudible], but basically mixed with the aviators to try to get their understanding, their version of [inaudible].

What are you and the CNO doing to make sure that this program succeeds? That he gets the right support? It's clear that he cannot do it alone, and yet all these other organizations have their own priorities and their own fairly limited budget and so on.

Adm. Moran: A very good question. I guess it starts with if you believe it, and will continue the operational approach [inaudible]. And then you can prioritize your programming and budgeting along with strategic [inaudible]. Also reorganize the [pieces of the OPNAV staff]. The whole [inaudible] underneath the desire [inaudible].

So they all fit well together. I think Admiral Davidson is speaking here at the banquet, so if there's a way to ask him this question, [inaudible].

I heard the CNO today in front of the entire OPNAV group say we, this document from Admiral Davidson, live it, breathe, it and we need to strategize the programs. So we've tried to take that approach in how we hold [inaudible] cultural shift. It's a messy year to do it because we have kind of crazy [inaudible]. But I think if you look at how we organize the OPNAV staff today, we're approaching the POM for [inaudible]. It's all going to be driven by the strategic approach that we've laid out [inaudible] deriving from not only maritime strategy documents but also these concept of operation documents. And some new ones that will be feathered in, if you will, to how we approach the program piece. Those mechanics, those processes have to

work if we're going to [inaudible] a concept like distributed lethality in the long term.

Organization on the OPNAV staff, we'll see it in air warfare, you'll see it in [inaudible], cyber warfare, information warfare, networks. All collaborating on this concept in one form or another. There are different forms of it out there, [inaudible]. Whether you're talking about from the sea or from the air or from under the sea. Those are all, if you kind of look at them together, it all kind of makes sense to be able to [inaudible] and put the right weapon on the right target at the right time, and keep the enemy guessing. [Inaudible].

Long answer to your question. The short answer is yes, we are absolutely committed to it and it's being driven by how we [inaudible]. At the end of the day, [inaudible]. Thanks for your question.

Question: Thanks for [inaudible]. [Applause]. This is just a crazy [inaudible]. So thank you very much.

Adm. Moran: Courage is the minute that you learn something and that you need it to change. [Applause].

Question: [Inaudible]. Probably the toughest criticism you faced was across the river [inaudible]. I would be curious if you'd share with us some of the very toughest questions that you had to answer either from the SASC or HASC and [inaudible].

Adm. Moran: [Inaudible] where we don't get tough questions on issues from the Hill, but I truly welcome those questions. I think when you get the tough questions it forces you to [inaudible]. If they're easy questions, I'd really question whether we have the right intention. [Inaudible] necessary to move. I wouldn't call it friction. I just think it's a wonderful way -- let me rephrase that. [Laughter]. It's a way of engaging in dialogue to make sure that the American public understands what we think is important and we understand what the American public thinks is important.

One of my biggest concerns when I was [CNB] and I continue to believe this, is do we have a [seminal] divide in our country, growing every day, when 84 percent or so of our new recruits are from military blood lines. That is not healthy for our military. Even though the recruits we get are fabulous, because they know who we are. That leaves the rest of them out.

Congress is not much different. If you look at the number of veterans in Congress, it's starting to creep up a little bit, but we're [inaudible] with experience and familiarity with who we are [inaudible].

So the more of those tough questions that come from them, the more opportunity we have to engage and show them and tell them who we are, and to make sure we're listening to them, understanding what the American public feels [inaudible].

And then of course you have to look at the [inaudible]. So [inaudible] your question.

The toughest part about working across the river is the full acknowledgement and realization that there are two parties there. It's not a unified body, that you're only talking to one piece. You're working multi-dimensional all the time. It's really [inaudible]. And you can't go in there, in my view, with an absolute position. You have to go there with what you feel very strongly about and then try to figure out where you can find common ground and [inaudible] position. That goes on the program side, it's always frustrating when there's a sense of questions that have come our way, that we don't understand how to do acquisition. [Inaudible]. It's taking too long. All those things. Well, you know, [inaudible], but we've got some fabulous people working [inaudible]. Working with industry to try to drive costs down. And frankly, the conversation usually turns to hey, [inaudible] sequestration, what do you think of this? [Inaudible] our ability to have this conversation with them. There's no common base line. We haven't had one in nine or ten years. [Inaudible].

Social issues always come up from [inaudible]. Those are tough because they're cultural. It's our professional culture inside the military. [Inaudible] culture outside the military. And you just have to [inaudible] try to [inaudible].

That's a macro view. There's hundreds of issues out there. Thank you for asking.

Question: [Inaudible].

Adm. Moran: There's one way to reduce the pressure on the OpTempo [inaudible]. And frankly, the last several years [inaudible]. [Inaudible] put a couple more in there. [Inaudible]. But I think you well know that we try to get somewhere where the capacity doesn't exist or the [facilities]

don't exist at all. There's millions of opportunities.
[Inaudible], schools, commissaries, hospitals, [inaudible].
There's no question that once you get it, the return on that
investment is very very good over time, especially
operationally. It's what we get out of the [inaudible].

Yeah, we are looking at opportunity. We do this in a very
structured process. We revisit it over and over and over again.
But we especially [inaudible].

Okay, great, I think I'm running dry. Thank you very much
everybody.

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